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PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET N.W.
WASHINGTON, D.C. 20554

FCC 98-256

News Media Information 202/418-0500

Recorded listing of releases and texts 202/418-2222

Released: October 5, 1998

COMMISSION ASKS PARTIES TO UPDATE AND REFRESH RECORD FOR ACCESS CHARGE REFORM AND SEEKS COMMENT ON PROPOSALS FOR ACCESS CHARGE REFORM PRICING FLEXIBILITY

CC Docket No. 96-262

CC Docket No. 94-1 ✓

CC Docket No. 97-250

RM-9210

Comment Date: October 26, 1998

Reply Date: November 9, 1998

In the *Access Charge Reform Order*¹ and the *Price Cap Fourth Report and Order*² of May 1997, the Commission adopted a presumptively market-based approach to access reform and a permanent price cap plan with an X-factor of 6.5 percent. Since then, several parties have filed petitions proposing significant changes to these orders, or have made *ex parte* presentations to propose ideas not presented in comments. In addition, parties have had the opportunity to observe changes in the level of competition in the marketplace. In this Public Notice, we invite parties to update and refresh the record on specific issues in these two proceedings to reflect all these developments.³

¹ Access Charge Reform, CC Docket No. 96-262 *et al.*, First Report and Order, 12 FCC Rcd 15982 (1997) (*Access Charge Reform Order*), *aff'd sub nom. Southwestern Bell Tel. Co. v. FCC*, ___ F.3d ___ (8th Cir., Aug. 19, 1998); Order on Reconsideration, 12 FCC Rcd 10119 (1997), Second Order on Reconsideration and Memorandum Opinion and Order, 12 FCC Rcd 16606 (1997). Petitions for reconsideration are pending before the Commission.

² Price Cap Performance Review for Local Exchange Carriers, Access Charge Reform, Fourth Report and Order in CC Docket No. 94-1 and Second Report and Order in CC Docket No. 96-262, 12 FCC Rcd 16642 (1997) (*Price Cap Fourth Report and Order*).

³ We note that implementation of high-cost universal service support also requires changes to access charges and that, therefore, access charge reform will be considered together with implementation of high-cost universal service support.

First, in their petitions for reconsideration of the *Price Cap Fourth Report and Order*, some parties have argued for a higher X-Factor, and some have argued for a lower X-Factor, for use in determining the price cap indices for price cap local exchange carriers (LECs). Parties are invited to update their comments and refresh the record on the specific arguments raised in these petitions for reconsideration.

In addition, Bell Atlantic and Ameritech have made specific pricing flexibility proposals⁴ that differ in several respects from proposals contained in the record developed in response to the *Access Charge Reform Notice*.⁵ First, because these proposals were made a year after issuance of the *Access Charge Reform Order*, they reflect both the measures adopted by the Commission in that order and developments in the marketplace since adoption of that order. Second, Bell Atlantic and Ameritech propose that the criteria used to evaluate the degree of competition vary by service. They also set forth proposals for phased relief as the competition in various services increases. We seek comment on these proposals.

Finally, on December 9, 1997, the Consumer Federation of America, the International Communications Association, and the National Retail Federation petitioned the Commission to initiate a rulemaking addressing the prescription of interstate access rates to cost-based levels.⁶ On February 24, 1998, MCI petitioned the Commission to "re-visit and significantly modify its Access Reform policies by July 1, 1998."⁷ Parties are invited to update their comments and refresh the record for both of these proceedings based on intervening events. Parties are specifically invited to comment on whether and how we could implement specific forms of pricing flexibility for LECs subject to prescriptive access rates. To the extent that we have not already addressed the concerns set forth in MCI's petition,⁸ we will consider MCI's petition in connection with RM-9210. Any updates or comments on matters contained in MCI's petition should be filed in that proceeding.

⁴ Letter from Kenneth Rust, Director, Federal Regulatory Affairs, Bell Atlantic, to Magalie Roman Salas, Secretary, Federal Communications Commission, April 27, 1998; Letter from Anthony M. Alessi, Director, Federal Relations, Ameritech, to Magalie Roman Salas, Secretary, Federal Communications Commission, June 5, 1998.

⁵ Access Charge Reform, CC Docket No. 96-262 *et al.*, Notice of Proposed Rulemaking, 11 FCC Rcd 21354 (1996)(*Access Charge Reform Notice*).

⁶ See Consumer Federation of America *et al.*, Petition for Rulemaking, RM-9210 (Dec. 9, 1997).

⁷ See MCI Telecommunications Corporation, Emergency Petition for Prescription, CC Docket No. 97-250, CCB/CPD No. 98-12 (Feb. 24, 1998).

⁸ MCI Emergency Petition for Prescription, CC Docket No. 97-250, CCB/CPD No. 98-12, Memorandum Opinion and Order, 13 FCC Rcd 11127 (Com. Carr. Bur. 1998).

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on before **October 26, 1998**, and reply comments on or before **November 9, 1998**. All comments should reference **CC Docket No. 96-262**, **CC Docket No. 94-1**, and **RM-9210**. The *Access Charge Reform* and *Price Cap* proceedings will continue to be permit-but-disclose proceedings for purposes of the Commission's *ex parte* rules.⁹

Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. In this case, however, commenters must transmit one electronic copy of the comments to **CC Docket No. 96-262**, **CC Docket No. 94-1**, and **RM-9210**. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties also may submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing and two additional copies for each additional docket or rulemaking number referenced. All filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 1919 M St. N.W., Room 222, Washington, D.C. 20554. In addition, commenters must send one copy to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20037 and one copy to Chief, Competitive Pricing Division, Common Carrier Bureau, Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

For further information contact Tamara Preiss, 418-1505, or Harold Watson, 202-418-1520, TTY: (202) 418-0484.

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⁹ *Access Charge Reform Notice*, 11 FCC Rcd at 21493.